



JAN 23 2002

The Honorable Howard Dean, M.D.
Governor of Vermont
Montpelier, Vermont 05609

Dear Governor Dean:

It is with pleasure that I respond to your request for waivers of various statutory and regulatory requirements under the Workforce Investment Act (WIA) pursuant to the Secretary's authority to waive certain requirements of WIA Title I, subtitles B and E and sections 8-10 of the Wagner-Peyser Act. This authority is granted to the Secretary by section 189(i)(4)(A) of the Workforce Investment Act (WIA or the Act), and in the implementing regulations at 20 CFR 661.420.

These waivers grant states flexibility in program design for seamless program delivery and improved customer service, in exchange for accountability and agreed-to programmatic outcomes. We hope that these changes will assist your state in meeting its workforce needs and improving programmatic outcomes statewide and at the local level.

We appreciate the state's patience and cooperation in working with our Boston Regional Office to provide supplemental information on the waiver submissions, so that an informed decision could be made on the state's requests. After discussions with state staff and review of the additional information provided by the Vermont Department of Employment and Training with regard to the initial requests for waivers, we are pleased to be able to respond positively to your requests. The following is the disposition for each of the state's waiver submissions.

Waiver 1: Competitive selection requirements for providers of youth services (Sec.123)

The state's request to waive the section 123 requirement to competitively select providers of the three youth program elements identified by the state is granted. The waiver applies to the selection of providers for the youth elements under the following sections: section 129(c)(2)(D) paid and unpaid work experience, including internships and job shadowing, as appropriate; section 129(c)(2)(G) supportive services; and section 129(c)(2)(I) follow-up services for not less than 12 months after the completion of participation, as appropriate. This waiver does not apply to the selection of providers of summer youth employment opportunities [section 129(c)(2)(C)], which is governed by 20 CFR 664.610. Also, this waiver does not cover the remaining elements at WIA section 129(c)(2), and Vermont must continue to competitively select providers of these services, in accordance with section 123.

In order to provide the state with the opportunity to implement and move toward achieving its goals under this waiver at this point in the current Program Year (PY), the state's request is being granted pursuant to the Secretary's continuing waiver authority for an initial period of 18 months. The duration of this waiver will be January 1, 2002, through June 30, 2003. Additionally, the Regional Office will provide information on models for building and strengthening partnerships to assist the state's implementation of the granted waiver.



A Proud Member of America's Workforce Network

Waiver 2: Subsequent Eligible Training Provider (ETP) Requirements; All student reporting requirement [WIA Sec. 122(d)(1)(A)(i) and 20 CFR 663.535(c)(1)]

Based on the state's current request (copy enclosed), we are not approving the request to waive the "all student" reporting requirement for subsequent eligibility at WIA section 122(d)(1)(A)(i) and 20 CFR 663.535(c)(1) at this time. This particular requirement is subsumed in the broader policy determination with regard to the overall eligible training provider impediments to full implementation of the states' five-year strategic plans, as identified by the WIA Readiness Workgroups. Pending the national resolution of these issues, we are not prepared to waive such a critical component of the WIA key principles of increased accountability and customer choice.

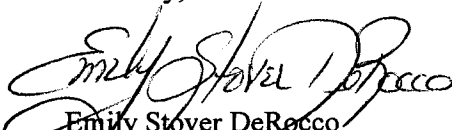
Although we are not now prepared to waive this particular provision, we believe that there is some confusion in the field on what potential providers must do to meet this requirement. We are, therefore, under separate cover, providing your WIA state liaison with some clarification on this issue, including some alternative options to satisfy this requirement, which may not require a waiver. Additionally, we wish to assist the state in addressing the issue of declining eligible training providers, which directly impacts on customer choice in accessing training services, one of the key reform principles of WIA.

Accordingly, the state is granted a waiver of the 18-month requirement at 20 CFR 663.530(c) for subsequent eligibility through June 30, 2003. The waiver approval is contingent on the state providing a plan for developing a workable subsequent eligibility process, including a time line, for coming into compliance with the subsequent eligibility requirements at WIA section 122. The effect of this waiver is to extend the period of initial eligibility of providers through PY 2002.

The granted waivers are incorporated by reference into the state's WIA Grant Agreement, as provided for under paragraph 3 of the executed Agreement, and also constitute a modification of Vermont's approved five-year Strategic Plan. A letter is being sent to your WIA state liaison, which supplements this notification letter and spells out the terms and conditions that apply to the granted waivers. A copy of each letter should be filed with the state's WIA Grant Agreement and the state's approved five-year Plan, as appropriate.

We look forward to enabling you to achieve better workforce development outcomes and improve the lives of many Vermont residents. We are prepared to entertain other state and local-level waiver requests that Vermont may wish to submit, consistent with the provisions of the Act and regulations.

Sincerely,



Emily Stover DeRocco
Assistant Secretary

Enclosure